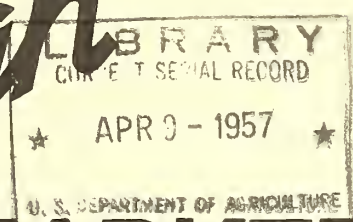


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Foreign



CROPS AND MARKETS

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World Agricultural Summaries to be Published In

SUPPLEMENTAL MONTHLY ISSUES

of Foreign Crops and Markets

The world summaries of crops and livestock production and trade which heretofore have been published from week to week in Foreign Crops and Markets according to a schedule established at the beginning of the year, will be published monthly in the future, beginning about March 25.

They will be published in supplemental issued of Foreign Crops and Markets during the latter part of each month as a convenience to readers. The information on world agricultural production and trade contained in these supplemental issues will be more readily available for current use, and be more easily filed for future reference.

The mailing list distribution of the monthly supplemental "Summary" issues of Foreign Crops and Markets will be the same as for the publication's regular weekly issues. The latter will be continued and devoted to general information on world agricultural developments.

NIGERIAN COMPANY TO EXPAND
FOOD CANNING IN 1957

About 1½ million cans of food were processed in 1956 by the Nigerian Canning Company at Kano, in the cotton and peanut area of Northern Nigeria. Food canned included groundnut (peanut) stew, groundnut soup, palm oil stew, whole chickens in natural broth, corned beef, "Egisi" soup with bitter leaf, and "jollof" rice. The company hopes to double output in 1957 to about 3 million cans.

Last year the company exported a third of its products to the Gold Coast and Sierra Leone. This year it hopes also to export some canned foods to the United Kingdom for sale to West African students there. The Northern Nigerian Development Corporation has a 40 per-cent interest in the company.

GREEK 1956 TOBACCO CROP
REVISED UPWARD

The Greek 1956 tobacco crop is now reportedly placed at 181.3 million pounds, 13.8 million above an earlier estimate but 15 percent below the 1955 record crop of 212.8 million. The quality of the crop is reportedly good with a high proportion in the American grades. Sales of the 1956 crop to export merchants through mid-February totaled 35.2 million pounds compared with 17.6 million for the same period last year. The sharp rise in sales followed the Government's 1957 trade financing program which will obviate the need for government purchase programs to support prices.

AUSTRIAN IMPORTS OF UNMANUFACTURED
TOBACCO INCREASE SUBSTANTIALLY

Austrian imports of unmanufactured tobacco reached 20.5 million pounds during the first 9 months of 1956 - compared with 15.1 million during January-September 1955.

Much of the increase was accounted for by larger imports of U. S. leaf which reached 8.4 million pounds compared with 5.6 million during the first 9 months of 1955. Imports from Brazil, Greece, Hungary and the Dominican Republic also increased and more than offset declines in takings from Turkey, India, Bulgaria, and the Central African Federation.

NIGERIA EXPORTING
FLUE-CURED TOBACCO

Nigerian exports of unmanufactured tobacco during the first 9 months of 1956 totaled 25,000 pounds, compared with 2,000 pounds for the comparable period of 1955. Shipments during the January-September 1956 period consisted of 11,000 pounds of flue-cured and 14,000 of other types of leaf tobacco - principally to the United Kingdom.

BAHIA TOBACCO INDUSTRY
RECEIVES FINANCIAL ASSISTANCE

A cigar factory (Suerdieck S/A) in Bahia, Brazil has reportedly received a government loan of 35 million cruzeiros (U.S. \$1.9 million). The purpose of the loan is to develop the tobacco industry and to re-open the "Costa Pena" cigar factory which had to terminate production in 1955 due to the lack of financial assistance.

SUDAN PLANNING ADDITIONAL TOBACCO AND CIGARETTE PRODUCTION

The Sudan government is reported to be negotiating with a British tobacco firm to establish another cigarette factory in that country. This is part of an attempt to encourage industrial development in the Sudan under a relatively liberal concession law for approved enterprises. The British company will also operate tobacco plantations to produce the leaf required.

CUBAN LEAF TOBACCO EXPORTS DOWN 2.5 PERCENT

Cuban exports of unmanufactured tobacco in 1956, totaling 46.9 million pounds, were 1.2 million pounds below the 1955 level of 48.1 million but 11 percent larger than 1954 total of 42.4 million. There were reduced shipments last year to the United States, Spain, West Germany, Denmark, Sweden, and the Netherlands. Countries stepping-up their takings of Cuban leaf included Uruguay, French Africa, Viet Nam, Belgium and the Canary Islands.

CUBA: Exports of unmanufactured tobacco during 1956, with comparisons

Country of Destination	1954	1955	1956 <u>1/</u>
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	25,457	27,584	25,918
Spain.....	8,588	8,537	8,463
Netherlands.....	1,018	3,050	2,826
Uruguay.....	1,118	1,060	1,746
West Germany.....	1,638	2,630	1,608
Canary Islands.....	574	746	1,224
French Africa.....	324	167	926
Viet Nam.....	504	376	779
Belgium.....	122	251	508
Denmark.....	74	626	172
Switzerland.....	473	177	234
Sweden.....	137	217	186
Others.....	2,338	2,675	2,331
Total.....	42,365	48,096	46,921

1/ Preliminary.

Exports of Cuban cigars during 1956, totaling 62.6 million pieces, were up 9.7 million pieces from 1955 and the largest since 1945. The principal markets, in rank of importance, include Spain, the United States, the United Kingdom, and France. Switzerland, Ireland, Norway and Southern Rhodesia increased their purchases of Cuban cigars while shipments to Venezuela, Peru, Chile, and French Africa were below the 1955 levels.

As of January 31, 1957, all the tobacco-producing areas in Cuba had commenced harvesting the 1957 crop. Trade sources report that the long spell of dry weather during the growing and harvesting periods was responsible for an approximate 40 percent decrease in yield in the non-irrigated areas of Pinar del Rio Province. A small increase in production is expected in other areas.

ARGENTINE GRAIN EXPORTS SHOW SLIGHT UPWARD TREND DURING LAST HALF OF 1956

Argentina's combined exports of all grains during the 6-months period ending December 31, 1956, which corresponds to the first half of the Northern Hemisphere's grain marketing season, totaled 2,456,000 metric tons. This represented a slight increase over the 2,368,000 tons exported in the same period a year ago. Substantial reductions in exports of wheat, rye and barley were offset by increased exports of corn and oats.

Virtually all of the July-December 1956 exports consisted of old crop grain. Argentina's marketing season for new crop wheat, rye, oats and barley only began on December 1, 1956, while that for corn will not begin until April 1, 1957. The bulk of the exports consisted of wheat and corn. Shipments of barley, oats and rye were relatively small. European countries figured as the principal outlet for each of the grains, although nearby South American markets, notably Brazil, as usual took large amounts of wheat.

The probable level of Argentina's combined exports of all grains during the 6-month period ending next June 30 is still impossible to predict because of uncertainty of the size of corn crop, harvesting of which will begin in the near future. However, 1956-57 supplies of wheat, rye, oats and barley available for export or carryover are substantially larger than a year ago, and the January-June 1957 exports of these grains are likely to be considerably higher than during the corresponding period last year. Exports from January 1 to June 30, 1956 totaled 2,150,000 tons, consisting of 1,349,000 tons of wheat, 63,000 tons of rye, 228,000 tons of corn, 170,000 tons of oats and 340,000 tons of barley.

Argentine Grain Exports July-December 1955 and 1956

Country of Destination	July-December 1955						Total
	Wheat	Rye	Corn	Oats	Barley		
	- - Metric tons - -						
July-December 1955	:	:	:	:	:	:	
Austria	42,122:	---	2,033:	2,941:	50:		47,146
Belgium-Luxembourg:	45,579:	9,980:	62,452:	---	21,426:		139,437
Czechoslovakia	9,983:	---	---	---	69,972:		79,955
Denmark	32,414:	6,566:	---	---	400:		39,380
Finland	60,732:	29,700:	9,598:	---	10,743:		110,773
France	1,300:	2,100:	50,213:	---	3,500:		57,113
West Germany	86,389:	4,362:	18,801:	---	108,731:		218,283
Italy	160,982:	83,878:	15,833:	7,285:	34,758:		302,736
Netherlands	76,392:	11,520:	16,876:	---	44,591:		149,379
Norway	11,400:	12,000:	---	---	---		23,400
Poland	7,900:	---	---	---	---		7,900
Sweden	1,587:	---	9,788:	---	---		11,375
Switzerland	5,380:	---	8,850:	---	6,193:		20,423
United Kingdom	134,991:	---	5,258:	---	1,620:		141,869
Brazil	822,404:	---	---	---	---		822,404
Chile	83,185:	---	---	---	---		83,185
Paraguay	14,701:	---	---	---	---		14,701
Peru	96,345:	---	---	---	---		96,345
Lebanon	1,700:	---	---	---	---		1,700
Total	1,695,486:	160,106:	199,702:	10,226:	301,984:		2,367,504
July-December 1956	:	:	:	:	:	:	
Austria	---	---	5,500:	388:	---		5,888
Belgium-Luxembourg:	7,091:	9,052:	126,834:	2,750:	800:		146,527
Czechoslovakia	---	---	---	---	2,000:		2,000
Denmark	1,500:	5,750:	3,528:	100:	---		10,878
Finland	---	17,750:	6,200:	---	---		23,950
France	21,119:	---	125,253:	---	---		146,386
West Germany	58,986:	9,345:	136,201:	35,895:	166,401:		406,828
Italy	258,543:	18,817:	81,543:	33,400:	1,427:		393,730
Netherlands	40,290:	25,518:	132,029:	14,883:	61,289:		274,009
Switzerland	5,638:	4,516:	19,146:	1,365:	2,945:		33,610
United Kingdom	42,840:	---	133,558:	7,005:	1,584:		184,987
Yugoslavia	---	---	---	---	378:		378
Brazil	602,922:	---	---	2,182:	---		605,104
Chile	88,986:	---	---	---	---		88,986
Paraguay	14,900:	---	---	---	---		14,900
Peru	50,918:	---	---	---	---		50,918
Uruguay ...	---	---	---	---	5,657:		5,657
Japan	---	---	58,727:	---	---		58,727
United States	---	---	---	2,511:	---		2,511
Total	1,193,735:	90,748:	828,519:	100,493:	242,481:		2,455,974

U. S. SHIPMENTS TO RHODESIAS NOW MOVE OVER ANGOLA RAILWAY

Effective January 1, 1957, regular through rail freight rates were established for the first time from the West Coast Angola port of Lobito to the Federation of Rhodesia and Nyasaland. The new rates were established through a recent agreement between the British controlled Benguela Railway, the Chemin de Fer du Bas Congo au Katanga and the Rhodesian Railways. Rail shipments will save about 2,500 miles of ocean transportation over the regular alternate route via the Cape of Good Hope and ports in Mozambique and could have an important effect upon the economy and development of the Federation and Central Africa. It provides a new and quicker means of transporting some agricultural imports to the Federation, particularly to the Northern Rhodesian Copperbelt. The Benguela Railway already is providing the chief transportation route for imports and exports to and from the Katanga mining area of the Congo, and also to Stanleyville and adjacent areas over the new Congo rail link to northeastern Congo.

KENYA EXPANDS COFFEE EXPORTS AND CEREAL MILLS

In the year ended September 30, 1956, the value and volume of Kenya's coffee exports were doubled over the preceding year. Exports of Arabica coffee were valued at \$36.4 million and totalled 26,247 long tons, of which about 2,000 tons were carried over from the 1955 crop. Small African farms produced 782 long tons of high grade coffee. More than half came from the Meru district, where a new cooperative is functioning effectively. Small African plantings are said to be expanding at the current rate of 3,000 acres per year.

Unga, Ltd., of Kenya, the principal flour and corn milling concern in East Africa, is expanding its milling and storage facilities to meet the increasing consumption demands in Kenya, Uganda and Tanganyika. This expansion program includes a new flour mill nearing completion at Nakuru; extensions to a mill at Nairobi, a cornmeal mill at Eldoret; a large wheat elevator; and staff housing at various centers.

NEW RECORD GRAIN SUPPLIES IN EXPORTING COUNTRIES

January 1 grain supplies were at an all-time high in the 4 principal exporting countries, according to information available to the Foreign Agricultural Service. Total supplies of the 5 principal grains in the United States, Canada, Argentina and Australia, on a tonnage basis were 225.7 million short tons, exceeding the previous record on January 1, 1956 by about 8 million tons. New records set for supplies of corn and barley account for the new high level, more than offsetting reductions from last year's record supplies of wheat and oats.

New record grain supplies are reported for each of the countries except Australia, where greatly reduced wheat production brought the total supply to the lowest level since 1953. Though Australia's wheat supply on January 1 was about 80 million bushels less than that of a year earlier, it was still somewhat above the 1945-49 average. The largest gain over supplies at the beginning of 1956 is reported for Canada, where the supply of the principal grains was estimated at a total of 42.7 million short tons, an increase of about 5 million tons. Substantially larger 1956 crops of each of the three principal grains contributed to the increase as did larger carry-over stocks.

With grain supplies at their present high level, the export movement from these countries has been heavy. Wheat exports have been running considerably higher than for the same period last year in Canada, the United States, and Australia. Though Argentina's exports have been smaller, the comparatively large wheat harvest recently completed provides a somewhat larger surplus for export than was available in that country in 1956. A smaller 1956 wheat crop in Europe and parts of Asia has created an active demand and present prospects point to near-record exports for the current marketing season.

A regional breakdown shows record stocks of 160 million short tons of grain in the United States on January 1. This represents 71 percent of the total in the 4 countries. The new record is due to the very high level for corn in this country, 3,416 million bushels at the beginning of January, compared with 3,082 million a year earlier. Stocks of the other grains in the United States, though generally high are below their January 1956 record level. The reduction was especially marked for oats, as estimated at 786 million bushels, compared with 1,043 million a year earlier. At the present low figure, the smallest in 9 years, stocks of oats are less than the 1945-49 average, the only one of the grains to drop below that level. Wheat stocks, in contrast, though not up to the record stocks of a year ago, are second only to that year and are still almost double the 1945-49 average.

Stocks of these grains in Canada on January 1 set a new record at 42.7 million short tons, compared with the previous record level of 37.8 million a year earlier. The largest increase is in stocks of oats, which are now estimated at 495 million bushels, 45 percent above the January 1956 stocks and 70 percent above the 1945-49 average. Stocks of wheat at 895 million bushels are at a new high and, though only moderately above the previous record of last year, are somewhat more than double the 1945-49 average. Barley stocks are also at a new record and considerably more than double the average period. Rye stocks are considerably below the level of the past 4 years but are still sharply above average.

It should be noted that figures shown here for Southern Hemisphere countries include estimates for the entire harvest of small grains, nearing completion in early January. Argentine corn, however, as is the case for all grains in Northern Hemisphere countries, represents stocks of old grain remaining on January 1 from preceding harvests.

The total supply of these grains in Argentina on January 1 was estimated at 14.6 million short tons. This is one of the largest supplies of record and exceeds the January 1956 total by 28 percent. Substantial increases are noted for each of the 5 grains. Considerably larger outturns of small grains harvested in December-January account for the substantial increase over the supplies for the 1956 year. Wheat supplies now appear to be above average and are 12 percent larger than at the beginning of 1956. The largest increase is reported for oats, with an increase of about 40 million bushels indicated. This is a new record for supplies of oats in that country. Barley supplies are also at a new high of 65 million bushels. Rye supplies of 50 million bushels are among the highest of record and are more than double the 1945-49 average.

Corn stocks on January 1 were well above the low level of a year ago but are still below average. Stocks of about 55 million bushels are for use for the 3 months until the harvest of the new crop beginning about the first of April. Prospects for that crop are poor and supplies for the crop year beginning April 1, 1957 will be much below average.

Total grain supplies in Australia were somewhat less than the record supplies for the 1956 marketing season, but were still considerably above average. Wheat supplies of 200 million bushels were the smallest since the beginning of 1952. Supplies of oats, at 60 million bushels were 20 percent less than those of a year earlier but were double the 1945-49 average. Barley supplies appear at a new record, far surpassing any previous record.

Grains: Estimated supplies in the principal exporting countries,
January 1, 1945-1957 1/

Country and year	Wheat	Rye	Barley	Oats 2/	Corn	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	1,000 short tons
<u>United States</u>						
Average 1945-49	764	16	200	898	2,061	100,244
1950	900	17	191	841	2,686	120,724
1951	1,002	18	244	941	2,610	124,556
1952	853	16	203	913	2,357	111,514
1953	1,106	9	164	859	2,558	122,736
1954	1,332	22	178	837	2,682	133,336
1955	1,471	26	283	1,014	2,825	146,974
1956	1,567	29	307	1,043	3,082	158,174
1957 3/	1,487	19	290	786	3,416	160,326
<u>Canada</u>						
Average 1945-49	382	8	116	292	4/	19,432
1950	325	12	90	240	4/	16,326
1951	440	13	140	325	4/	22,449
1952	555	17	220	415	4/	29,461
1953	685	28	255	405	4/	34,339
1954	810	30	265	370	4/	37,790
1955	740	28	225	290	4/	33,314
1956	840	27	250	342	4/	37,770
1957 3/	895	20	285	495	4/	42,665
<u>Argentina</u>						
Average 1945-49	262	21	47	71	79	12,924
1950	230	20	25	70	70	11,140
1951	215	25	35	60	10	9,230
1952	85	15	25	40	35	5,190
1953	275	50	54	85	25	13,006
1954	280	50	45	80	35	13,140
1955	335	35	55	55	30	14,070
1956	255	30	55	55	25	11,390
1957 3/	285	50	65	95	55	14,570
<u>Australia</u>						
Average 1945-49	162	4/	13	29	4/	5,636
1950	225	4/	20	40	4/	7,870
1951	215	4/	25	35	4/	7,610
1952	175	4/	25	45	4/	6,570
1953	205	4/	38	55	4/	7,942
1954	225	4/	40	55	4/	8,590
1955	245	4/	30	50	4/	8,870
1956	280	4/	40	75	4/	10,560
1957 3/	200	4/	48	60	4/	8,112
<u>Total</u>						
Average 1945-49	1,570	45	376	1,290	2,140	138,236
1950	1,680	49	326	1,191	2,756	156,060
1951	1,872	56	444	1,361	2,620	163,845
1952	1,668	48	473	1,413	2,392	152,735
1953	2,271	87	511	1,404	2,583	178,023
1954	2,647	102	528	1,342	2,717	192,856
1955	2,791	89	593	1,409	2,855	203,228
1956	2,942	86	652	1,515	3,107	217,894
1957 3/	2,867	89	688	1,436	3,471	225,673

1/ Data for Northern Hemisphere countries represent January 1 stocks; estimates for Southern Hemisphere countries include the new crop of small grains as well as stocks of old grain on January 1. 2/ Canadian oats reported in bushels of 34 pounds; other countries in bushels of 32 pounds. 3/ Preliminary estimates. 4/ Production small and supplies of minor importance.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics, reports of United States Agricultural Attaches abroad, or other information.

PORTUGUESE OLIVE OIL PRODUCTION IN 1956-57 ESTIMATED AT
100,000 TONS; BLENDING WITH PEANUT OIL DISCONTINUED

Portugal's production of olive oil from the 1956-57 crop of olives is expected to reach 100,000 short tons, a record for a so-called "low" year, according to an official preliminary forecast. This represents an increase of one-third over last year's estimated output of 76,000 tons, when the expected "high" year outturn was offset by unusual dacus fly and climatic damage. It is nearly 30 percent above the average for the last 10 years and almost twice the outturn in 1954-55 the last "low" year.

In view of the good crop outlook, the Minister of Economy announced in a press conference last month that beginning March 15 the Government would no longer require the blending of olive oil with equal quantities of peanut oil for local consumption, which has been compulsory for the last year.

DOLLAR RESTRICTIONS RELAXED ON AGRICULTURAL
IMPORTS BY FEDERATION OF RHODESIA AND NYASALAND

Relaxation of importation of certain agricultural and other commodities for January through June 1957 have been announced by the Federation of Rhodesia and Nyasaland. A specific allocation of \$630,000 for importation of dollar wheat was made for the first half of 1957. Announcement was also made that licenses will be granted for the importation of the following dollar agricultural items, without specification of amount: Cotton, infants food (not milk based), butter, vinegar, barley (malted), barley (ground or otherwise prepared), corn (ground or otherwise prepared), eggs (whole or part contents, liquid or dried), tapioca, sago, and arrowroot.

U. S. NET EXPORTER OF PEANUTS AND PEANUT
OIL IN 1956, REVERSING POSITION OF PREVIOUS YEAR

The United States again became a net exporter of peanuts and peanut oil in 1956, thus reversing its position of the year before. Peanut exports increased to 8,253 short tons (7,175 shelled and 1,078 unshelled) in 1956 compared with negligible shipments the year before and exports of 68,893 tons in 1954.

Table 1 - UNITED STATES: Peanut imports and exports by country, average 1935-39, annual 1954-56

(Short tons)

Country of origin	IMPORTS					
	Shelled			Unshelled		
	Average: 1935-39	1955 1/	1956 1/	Average: 1935-39	1955 1/	1956 1/
Mexico.....	-	14,807	1,926	-	624	-
Brazil.....	-	17,226	8	-	-	-
China.....	49	-	-	-	-	-
Hong Kong.....	10	-	-	-	-	-
India.....	22	17,313	3	-	-	-
Japan.....	1	-	-	87	-	-
Philippines, Republic of.	1,136	4,424	19	59	11	-
Federation of Rhodesia... and Nyasaland.....	-	651	-	-	-	-
Union of South Africa.....	-	5,751	-	-	-	-
Others.....	2/ 225	3/ 548	4/ 68	66	1	-
Total.....	1,443	60,720	2,024	212	636	-
Country of destination	EXPORTS 5/					
	Shelled			Unshelled		
	1954	1955 1/	1956 1/	1954	1955 1/	1956 1/
British West Indies.....	22	26	4	76	28	4
Canada.....	2,897	62	2,142	81	2	152
Mexico.....	2	-	-	-	-	602
Cuba.....	34	31	17	1	-	1
Venezuela.....	152	153	101	-	-	-
Belgium-Luxembourg.....	9,245	37	41	-	-	-
Italy.....	569	-	-	-	-	-
Netherlands.....	15,039	-	-	-	-	-
Norway.....	1,046	-	-	-	-	-
Switzerland.....	16,385	32	36	-	1	-
United Kingdom.....	7,861	-	-	-	-	-
Israel.....	15,102	-	4,444	-	-	-
Others.....	265	295	176	116	75	313
Total.....	68,619	6/ 730	7/ 7,175	274	8/ 132	9/ 1,078

1/ Preliminary. 2/ Special imports, free. 3/ Includes 6 tons of blanched or roasted peanuts. 4/ Includes 1 ton of blanched or roasted peanuts. 5/ Pre-war exports were negligible. 6/ Includes 94 tons whose destination is not indicated. 7/ Includes 214 tons whose destination is not indicated. 8/ Includes 26 tons whose destination is not indicated. 9/ Includes 6 tons whose destination is not indicated.

Imports of shelled peanuts dropped to only 2,024 tons compared with 60,720 tons in 1955, when restrictions on the quantities imported were eased and later lifted during the March-July period to relieve a shortage of peanuts for edible uses.

The bulk of the peanut exports were to Israel and Canada while imports came largely from Mexico.

Table 2 - UNITED STATES: Peanut oil imports and exports by country, average 1935-39, annual 1954-1956

(Short tons)

Country	IMPORTS					EXPORTS <u>1/</u> <u>2/</u>			
	Average: 1935-39	1954	1955 <u>3/</u>	1956 <u>3/</u>		1954	1955 <u>3/</u>	1956 <u>3/</u>	
Canada.....	-	-	151	-		587	47		639
Cuba.....	14	-	-	-		64	32		396
Venezuela.....	-	-	-	-		77	233		134
Belgium-Luxembourg	-	-	441	-		3,081	-		332
Western Germany...	134	-	-	-		-	-		-
Netherlands.....	8,883	-	4,264	-		-	-		441
United Kingdom....	581	3,089	1,564	698		551	-		-
China.....	9,902	-	-	-		-	-		-
Hong Kong.....	515	-	-	-		-	-		-
India.....	-	-	6,675	-		-	-		-
Japan.....	202	-	-	-		1	-		-
Others..... <u>4/</u>	475	-	<u>5/2</u> ,034	-		13	<u>37/6/</u>		470
Total.....	20,706	3,089	15,129	698		4,374	349		2,412

1/ Crude and refined oil combined as such. 2/ Prewar exports were negligible.
3/ Preliminary. 4/ Special imports free. 5/ Includes 1,749 tons imported from the Union of South Africa. 6/ Includes 12 tons whose destination is not indicated.

Compiled from official records of the Department of Commerce.

U. S. exports of peanut oil increased to 2,412 tons in 1956 compared with a negligible quantity the previous year. In contrast, imports dropped to only 698 tons from 15,129 tons in 1955. Canada and the Netherlands were the largest buyers of U. S. peanut oil.

FINLAND IMPORTS MORE
U. S. COTTON

Finland's cotton imports from the United States amounted to 17,000 bales (500 pounds gross) in August-December 1956, increasing 13 percent from imports of 15,000 bales in the corresponding period a year ago. Total imports in the current period were 35,000 bales as compared with 33,000 bales a year earlier; imports from the U. S. S. R. were 18,000 bales as compared with 16,000; and those from Egypt were only 180 bales as compared with 1,944 a year ago.

Cotton imports by Finland during August-July 1955-56 amounted to 67,000 bales or 8 percent higher than imports of 62,000 bales in 1954-55. Imports from the United States were 20,000 bales or 30 percent of the total in 1955-56 as compared with 12,000 bales and 19 percent in 1954-55. Imports from the U. S. S. R. were more than 40,000 bales each year, under terms of a 5-year trade agreement. The increasing imports from the United States have been made possible by purchases authorized for payment in local currency under terms of Title I, P. L. 480.

Finland's cotton consumption, which has been steadily increasing during the post-war years, set a new record in August-July 1955-56, amounting to 65,000 bales or 7 percent higher than 1954-55 consumption of 61,000 bales. Consumption of United States cotton increased even more sharply in 1955-56, amounting to 21,000 bales or 32 percent of the total as compared with 9,000 bales and 15 percent in 1954-55. In the January-July 1956 period, consumption of United States cotton increased to about 44 percent of the total, or nearly equal the consumption of Soviet cotton which accounted for 49 percent of the total. Finnish mills also consume small quantities of extra long staple Egyptian cotton.

Cotton stocks in Finland on August 1, 1956, were 27,000 bales, up slightly from stocks of 25,000 bales held a year earlier. Stocks of United States cotton were 9,000 bales at the beginning of the 1956-57 season, as compared with 10,000 bales a year earlier.

NEW ZEALAND BUTTER PRICE
DECLINES IN LONDON

On February 11, 1957, the ex-store price of New Zealand finest butter declined to 32.0 cents per pound on the London market, 0.5 cents per pound under the price it had held for the previous 5 weeks. The New Zealand Dairy Products Marketing Commission cited the arrival of almost 1.8 million pounds of Dutch cold storage butter as the reason for the decline. This butter which was above the expected available supply, was offered for a price reportedly much below the current price of fresh Dutch butter.

The ex-store price of New Zealand finest white cheese at London on February 11 was 30.0 cents per pound.

WEATHER CONDITIONS LOWER MOST AUSTRALIAN DECIDUOUS FRUIT CROP ESTIMATES

Adverse weather conditions in several Australian States have caused decreases in production estimates for most 1956-57 deciduous fruit crops.

The apple crop is now estimated to be about 11.5 million bushels as compared to a 1955-56 crop of nearly 13.8 million. Major contributing factor to the smaller production was excessive rainfall and waterlogged soils in Tasmania. A crop 2 million bushels below last year is now forecast for this important state.

The 1956-57 pear crop, on the other hand, is expected to be about 400,000 bushels larger than last year. Weather conditions have affected pears in much the same manner as apples. However, Tasmania is not as important in pear production and the leading state of Victoria is estimating a 37 percent increase over 1955-56.

Peaches and apricots were severely damaged by the excessive rainfall and these crops are expected to total 1.7 million bushels and 27,900 short tons, respectively. Last year's crops reached 2.7 million bushels of peaches and 37,053 tons of apricots.

Heaviest loss occurred in major canning areas such as the Goulburn Valley of Victoria where 60 percent of the peach trees and 25 percent of the apricot trees were killed by flooded soils. The Australian fruit canning industry will be affected by this loss for several years. Total peach production for canning in Victoria will probably not exceed 480,000 bushels as compared with 1.5 million bushel average of recent years.

1957 EXPORTS

Export availability for the United Kingdom is estimated at 3 million bushels of apples and one million bushels of pears. An application has been made to West Germany for an apple and pear import quota of \$1.4 million. Because of the large crop, an additional quota of \$280,000 will be sought for pears.

An import license quota for apples and pears to Norway of \$700,000 has been requested. Shipments to Sweden are expected to be about equal to last year. Further increases may be made in exports to Benelux countries.

Deciduous Fruit Production - Australia - By State and Type - Average 1949-53 Seasons 1954-55, 1955-56 and estimated 1956-57

Commodity	Average 1949-53	1954-55	1955-56	1956-57 1/
	Thousand bushels			
<u>Apples</u>				
New South Wales.....	1,255	1,163	1,645	1,200
Victoria.....	1,736	2,580	2,944	3,100
Queensland.....	437	592	734	600
South Australia.....	856	622	985	900
Western Australia.....	1,259	1,705	1,516	1,600
Tasmania.....	4,721	5,009	5,926	4,100
Total.....	10,264	11,671	13,750	11,500
<u>Pears</u>				
New South Wales.....	379	536	427	400
Victoria.....	2,506	3,331	2,139	2,900
Queensland.....	26	51	45	40
South Australia.....	254	215	354	300
Western Australia.....	100	148	99	140
Tasmania.....	312	427	538	300
Total.....	3,577	4,708	3,602	4,100
<u>Peaches</u>				
New South Wales.....	871	989	896	500
Victoria.....	1,483	1,549	1,300	800
Queensland.....	80	106	93	90
South Australia.....	203	344	360	300
Western Australia.....	68	83	65	80
Tasmania.....	9	8	8	7
Total.....	2,714	3,080	2,722	1,800
	- - - - - Short tons - - - - -			
<u>Apricots</u>				
New South Wales.....	6,824	6,400	8,280	6,000
Victoria.....	11,995	12,474	9,600	4,400
Queensland.....	356	457	460	400
South Australia.....	12,800	14,372	15,923	14,200
Western Australia.....	1,073	1,176	1,018	1,200
Tasmania.....	1,859	2,177	1,772	1,700
Total.....	34,907	37,056	37,053	27,900
1/ Estimated				

SMALL MEDITERRANEAN ALMOND CROP MOVES SLOWLY

The 1956 almond crop of the Mediterranean area continues at an unprecedented low, despite recent increases in production estimates for Spain and Portugal. Commercial production of almonds in the Mediterranean countries, calculated at 44,100 short tons for 1956, shelled basis, is only 55 percent of the 1949-53 average. Loss in production is due to the unseasonably cold weather of a year ago.

High prices accompanying the record small Mediterranean almond crop have caused it to move slowly. Prices have been sharply reduced for Mediterranean almonds to stimulate sales.

United States almond production for 1956, on the other hand, reached an all-time peak of 54,500 tons, unshelled basis. The crop being marketed is 37 percent greater than the 1949-53 average. Almond exports to European countries have been unusually heavy.

ALMONDS, shelled: Estimates for commercial production in selected countries, average 1949-53, annual 1953-56

Country	Average: 1949-53	1953	1954	1955	1956 <u>1</u> /
	- - - - - short tons - - - - -				
French Morocco.....	3,000:	3,300:	4,200:	3,300:	3,900
Iran.....	7,400:	6,600:	8,800:	4,400:	5,000
Italy.....	37,500:	38,300:	34,200:	20,900:	12,000
Portugal.....	5,100:	6,600:	6,000:	3,500:	3,000
Spain.....	26,600:	28,000:	19,500:	13,200:	20,200
Total, above countries.....	79,600:	82,800:	72,700:	45,300:	44,100
United States production	:	:	:	:	:
(Unshelled basis).....	39,700:	38,600:	43,200:	38,300:	54,500
	:	:	:	:	:

1/ Preliminary

CARIBBEAN ORANGE CONCENTRATE SHIPMENTS TO U.K. LAG

Trade sources report that the contract between the Governments of British Honduras, Jamaica, and Trinidad, and the United Kingdom for supplying 5,000 tons of concentrated orange juice is not being fulfilled. The contract is for a period of 10 years and expires with the 1959-60 citrus crop. To date, Jamaica has been the sole supplier with shipments totaling 750 tons. Jamaica is also scheduled to furnish an additional 1,000 tons by March 31, 1957. Citrus growers of British Honduras, Trinidad, and Jamaica are apparently selling their oranges for higher prices on the local fresh market.

VENEZUELA MILK BOTTLERS REDUCE RETAIL PRICES AGAIN

Asoprole, the north central Venezuelan milk producers' cooperative that recently paid a premium price for the Caracas pasteurization plant, Silsa, (See Foreign Crops and Markets, February 18, 1957) is now faced with reduced retail prices which may result in smaller profits. Inlaca, the Rockefeller pasteurization operation, has again cut the price of milk to 26.25 U. S. cents per quart from the normal 30 cents. (See Foreign Crops and Markets, June 18, 1956.) This reduction, coming in the dry season when Asoprole producers must purchase feed, was possible because of the available milk supply from Zulia dairymen who produce the bulk of the Venezuelan milk supply at much lower cost, partly resulting from year-round grazing. The increased transportation cost incurred in trucking the milk to Caracas rather than Maracaibo is not enough to offset the higher feed cost of Asoprole's producers.

Asoprole paid a premium price for Silsa, in anticipation of a stable milk price and the thought that forward integration into the processing and marketing phase of the dairy industry would result in larger profits.

BRAZIL REQUIRES DRIED MILK CUSTOMS INSPECTION; PLANS TWO NEW PLANTS

Under Order No. 1502, January 16, 1957, the Brazilian Government notified the Director of Customs that inspection of dried milk will be necessary before this product can clear the Brazilian Customs Office. The inspection will be made by a technician from the Ministry of Agriculture (Divasao de Inspecao de Productos de Origen Animal). If his analysis shows any variation in the product from the description and specifications shown in the import license, the case will be referred to the Foreign Trade Department of the Bank of Brazil for further action. The order pointed out that this step would be taken even though the imported product met the necessary sanitary requirements.

On the production scene, an industrial group in Sao Paulo is investing a reported \$1.2 million in a company schedule to produce 26,500 pounds of spray process dried milk per day. The plant will be located at Varginho, in the State of Minas Gerais. Another Brazilian corporation is reportedly seeking a satisfactory location for construction of a dried milk plant in the neighboring State of Sao Paulo. Details on proposed output of this plant are not yet available.

ARGENTINE DRIED PEACH PACK DOWN SHARPLY; PEARS ABOUT UNCHANGED

Dried peach production in Argentina is forecast at only one-tenth of last year's pack as a result of a short peach crop. The peach crop was severely damaged by a late frost last September and also suffered from hail and winds. An early forecast of the 1957 crop is 300 short tons; 1956 production was estimated at 2,900 tons.

The dried pear forecast is for a pack of approximately 700 tons, or about the same as last year.

There are no stocks on hand of 1956-crop dried peaches or pears.

Prices paid by canning plants for peaches this season are reported triple those of a year ago.

Virtually all of the 1956 pack of dried peaches was consumed within Argentina. However, more than half of the dried pear pack was exported. Of the 387 tons of dried pears exported in 1956, Germany took 185 tons, the United Kingdom 93 tons, Finland 57 tons, and the Netherlands 33 tons.

Estimated production in Argentina for recent years is shown below:

	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957 Forecast</u>
	- - - Short tons - - -				
Dried peaches	2,800	600	1,800	2,900	300
Dried pears	600	600	700	700	700

INCREASED PRODUCER MILK PRICE GRANTED IN URUGUAY

In answer to farmers' demands, Conaprole, a Government-sponsored dairy cooperative and the only milk outlet in Montevideo, has granted a price increase for milk delivered to the plant. The producers have based their demands on increased costs of operation and have carried their arguments to various levels of the Government of Uruguay for the past several months. Recently, the Honorary Milk Commission announced new prices, based on butterfat content, to be paid to farmers.

Conaprole accepts milk with a minimum of 2.9 percent butterfat, and pays \$3.12 per cwt. for milk testing up to 3.5 percent. A 5.78-cents-per-cwt. butterfat differential is paid on each 0.05 percent increase in fat content up to 3.86 percent. For milk with a fat content of 3.86 percent and over, Conaprole pays \$3.53 per cwt. Most of the milk received by the cooperative varies in fat content from 2.9 to 3.2 percent.

The gain of 12 cents per cwt. over the previous price offers little solace to the farmers who estimate their production costs per 100 pounds of milk to be \$3.64. Technicians hired by Conaprole estimate the cost of production at \$3.62 per cwt. This is \$0.91 over the production cost reported early in 1956. (See Foreign Crops and Markets, June 4, 1956.)

INDONESIAN HARD FIBERS PRODUCTION DECREASES

Indonesian production of sisal and abaca is estimated at 77.9 million pounds in 1956, compared with 78.7 million in 1955, or a decrease of about one percent. An increase in exports, however, more than balanced the calculated slight decrease in consumption and left year-end stocks at a lower quantity in 1956 than in the previous year.

Production includes 74.3 million pounds of sisal and 3.6 million pounds of abaca. These fibers were all produced on estate farms, except about 250,000 to 300,000 pounds that were produced by small-holders. Heaviest production was in the last quarter of the year when about 29 percent of the year's total was produced. About 26 percent of the total was produced in the first quarter. The other 45 percent was rather evenly distributed throughout the 6 months of the second and third quarters of the year.

Exports of hard fibers from Indonesia increased in 1956 by about 2 percent over those of 1955. They were estimated at 77.7 million pounds in 1956 and at 76.0 million in 1955. They are composed of about 93 percent sisal, 6 percent abaca, and 1 percent arenga-palm fibers. Exports of hard fibers usually follow very closely the amount of fibers produced. Domestic consumption averages about 4 million pounds or less annually.

About 90 percent of Indonesian exports of hard fibers in 1956 were shipped to Japan, the United States, Australia, China, the Netherlands, and West Germany, and the remaining 10 percent to about 16 other countries. The Government of Indonesia granted in October 1955 an export premium of 10 percent of FOB prices of hard fibers. The premium was increased to 25 percent on March 1, 1956. Beginning August 6, 1956, all Government regulations granting export premiums in rupiahs were withdrawn, and instead export premiums in foreign exchange were provided for exporters. This effort to stimulate exports has not been entirely successful to date, and the outlook is not very encouraging for the hard fiber industry of Indonesia.

AUSTRALIA INCREASES PREMIUM ON BONELESS BEEF

The Minister for Primary Industry has announced an export premium of 3 d (\$.028) per pound on first and second quality steer, heifer, and cow beef, which has been in effect since the start of the year, will be continued through March. In addition, an extra bounty of 1 d will be paid for the export of boneless beef, bringing the premium for this type to 4 d (\$.037) per pound. (See Foreign Crops and Markets January 28, 1957).

URUGUAY HALTS BEEF SLAUGHTER FOR EXPORT

Slaughter houses in Uruguay halted slaughter for export of chilled beef in December because of the sharp drop in U. K. prices. Uruguay has not made any significant shipments of chilled beef to the U. K. since the war, but had been planning to resume shipments during 1957. (See Foreign Crops and Markets 1-28-57).

Montevideo is now experiencing a severe meat shortage, and reliable sources report that beef and mutton cannot be bought in the city. The Frigorifico National, which supplies meat to the Montevideo area, operated only one day during the first two weeks of February and has failed to supply its retail outlets. The National Subsistence and Price Control Council and the city of Montevideo have been authorized to expropriate and sell all stocks of meat held by private packing plants in cold storage. As another measure to relieve the shortage, the Ministry of Livestock and Agriculture will purchase live cattle in Argentina for slaughter in the municipal packing plant.

BEEF SHORTAGE IN JAMAICA

Throughout January, Kingston, Capital of Jamaica, has experienced a shortage of beef. Inflation and a higher standard of living has given the inhabitants of the rural districts sufficient purchasing power to consume an increasing high proportion of the total beef production. Prices are controlled in Jamaica, and the price paid by butchers in the city is fixed at \$18.88 per hundred weight on the hoof. This is not sufficiently higher than the fixed rural price of \$18.18 to encourage producers to send their animals to Kingston for slaughter.

From 1953 to 1956 the slaughter of cattle in the Kingston area dropped from 12,500 to 6,700 head per year, while rural slaughter rose. Total slaughter and cattle numbers have fallen off sharply during the last few years due to the low fixed prices.

FOOT-AND-MOUTH DISEASE INCREASES IN FRANCE

The number of farms infected with foot-and-mouth disease in France has risen from 292 in April to 3,386 in December 1956, according to the Ministry of Agriculture. Under the French system of protection by which exposed animals are vaccinated and infected areas isolated, the loss from the disease has been about \$4.3 million since 1952. It is estimated that, had the method of "stamping out" the disease by strict destruction of all exposed and infected animals used in the United States been employed, the cost during the period would have been less than \$143,000. However, the Ministry now considers the disease to be too widespread for eradication by a slaughter program.

U. K. EXPORTS OF SLAUGHTER CATTLE ON THE INCREASE

British exports of slaughter cattle to continental markets have been averaging about 3,000 head per week during the past 4 months. The export trade developed after the U. K. feed exports of live cattle early in 1956 and by October had developed into a \$2.8 million per month business. About \$14 million worth of slaughter animals were exported in 1956.

Most of the animals are being shipped to France and the Netherlands. Switzerland, Belgium and West Germany are also important importers. The demand is for large dairy type animals with little finish which are not desired on the British market. Due to the slow domestic demand and consequent low price, the continental shippers have been able to absorb transportation costs of about \$22 per head by sea and \$25 by air.

The demand has been supported by the slaughter of a considerable number of dairy animals in the Netherlands during last year's TB eradication program and by the suspension by France of the usual 35 percent ad valorem tariff. The U. K. export trade in live animals is expected to continue for a considerable time. The animals being exported are of poor quality and finish and demand a low price on the U. K. market. Continental butchers, however, prefer lean and mature animals and are willing to pay a premium for such animals.

WOOL EXPORTS FROM SOUTH AFRICA DECLINE

Raw wool shipments from the Union of South Africa and South West Africa during July-January of the 1956-57 season were 143 million pounds, compared with 151 million pounds the previous season. Exports to Russia declined from 12.7 million pounds to 4.5 million. Shipments to the United States and United Kingdom have also been lower but to a lesser extent.

Total wool sales at auctions and exported direct during July-January increased from 156 million pounds in 1955-56 to 163 million pounds in 1956-57. The average price for all wool sold during this period was \$.66 per pound or 31 percent higher than a year ago.

FRANCE BECOMES NET IMPORTER OF BEEF AND CATTLE

France, normally an important European exporter of beef and slaughter cattle, reversed a long standing trend during 1956 to become a net importer of both. Rising meat consumption in France with high meat prices have attracted large imports of beef from the Netherlands and Denmark, and of slaughter cattle from Ireland, the U. K., and Denmark. In an effort to hold down the cost of living in France, the usual 35 percent ad valorem tariff on beef and slaughter cattle has been suspended since April 1956. In addition a small tax has been imposed on the export of cattle to assure domestic supplies of meat. The presence of foot-and-mouth disease in France during 1956 caused Germany, usually a large importer, to impose an embargo on French animals and meat in June.

France: Exports and imports of beef 1/ and cattle, 1954-1956

Year	Beef (Million pounds)			Cattle (1,000 head)			
	Exports (-)	Imports (+)	Net	Exports (-)	Imports (+)	Net	
1954	103.6	6.9	- 96.7	53.5	1.8	- 51.6	
1955	116.3	2.8	-113.5	122.1	1.5	- 120.6	
1956	33.4	34.6	+ 1.2	22.5	79.9	+ 57.4	

1/ Excludes canned meat.

MODERN SLAUGHTER PLANT PROPOSED FOR COSTA RICA

A contract for the construction of a modern slaughter plant in the vicinity of San Jose, Costa Rica has been recently signed by the Minister of Agriculture and Industry and a United States firm. Under the terms of the contract, which must yet be approved by the Legislative Assembly, the new business will be exempt from import duties on machinery and equipment and from export duties on its products for 5 years.

The proposed plant is to have a capacity of 50 head of cattle and 100 hogs per day, and will require an investment of \$437,400.

Costa Rica has needed a modern packing industry for a long time. The present antiquated system is not sufficient for the needs of the growing livestock industry and its potential domestic and foreign markets. Cattle numbers in Costa Rica have risen from about 606,000 head in 1950 to 804,400 head in 1955. During recent years, Costa Rica has been an exporter of slaughter and breeding cattle to South America and the Caribbean area.

NEW EGYPTIAN EXCHANGE CONTROLS FAVOR SOVIET BLOC

Recent regulations established by Egypt's Foreign Exchange Control Office are designed to alleviate Egypt's foreign exchange difficulties. All government departments were instructed to cancel import orders placed with the U. S. and West Germany unless the supplier would accept payments in Egyptian pounds from any one of the clearing accounts of Hungary, Romania, Czechoslovakia, Poland or Yugoslavia; or unless one of the listed countries made dollars available for payment to the suppliers.

Another regulation required applications for permits for imports from hard currency areas to be reviewed by a special interdepartmental committee, whereas those for imports from the Soviet Bloc would require only the approval of the Director of the Import Control Office. The regulation also set an import quota for the first quarter of 1957 at LE40 million (\$115 million) about 20 percent below the level of imports for the corresponding period of 1956.

In view of Egypt's severe foreign exchange shortage, it is understandable that officials should desire to find a way of setting off Egypt's large import surplus in trade with the U. S. and West Germany against Egypt's export surplus with the Soviet Bloc. As U. S. or West Germany exporters are unlikely to accept payment in Egyptian currency and as very few dollars can be expected from the communist countries, Egyptian imports from the West will probably fall below the present level and the Bloc will probably increase its share of Egypt's total trade.

FRENCH SET MINIMUM MEAT PRICES

The French government has announced the minimum support prices for beef and pork carcasses for the 1957-58 season. The Minister of Agriculture set the minimum price of beef at \$.40 per pound for the best quality and at \$.19 per pound for the lowest grade. The price of pork was set at \$.37 per pound. If the market price of these commodities falls below the minimum, the government is pledged to purchase meat at the guaranteed prices as a support measure.

The guaranteed prices are somewhat below prices which prevailed in 1956 and do not offer much inducement to farmers to expand production.

DANISH EXPORTS OF BEEF TO SPAIN AND ITALY INCREASE

Italy and Spain have been purchasing an increasing portion of Denmark's total exports of beef in recent years. In 1955 some Danish experts warned against an over production of beef animals in view of the uncertainty of shipments to Italy, the principal outlet. However, Italy has been able to take increasing quantities of meat since that time. During 1956 Italy accounted for over half of the beef and veal exported by Denmark. Further increases are expected.

Spain, a new comer to the Danish trade, has become the second most important outlet for beef. (See Foreign Crops and Markets 12-31-56).

Denmark: Exports of fresh and frozen beef and veal, 1954-56

Country	1954		1955		1956	
	Mil. lb.	Percent	Mil. lb.	Percent	Mil. lb.	Percent
Spain.....	0	0	2.0	2	11.0	11
Italy.....	24.8	20	44.7	49	57.8	57
Other.....	98.1	80	45.2	49	32.8	32
Total.....	122.9	100	91.9	100	101.6	100

FRENCH 1956 PRUNE PRODUCTION HALVED

Commercial production of dried prunes in France during 1956 amounted to 4,400 short tons, or half the volume dried during a normal season. This current estimate of 1956 French prune production is nearly 20 percent less than the 5,500 short ton figure reported in the October 8 issue of Foreign Crops and Markets. Extremely cold weather of a year ago and seasonal variations have accounted for the fifty percent drop. Though of good quality, French prunes are below average in size.

Nearly 1,700 short tons of prunes were purchased from the United States during the last 6 months of 1956. An import license has recently been granted to a trade syndicate for the purchase of an additional 3,300 short tons of U.S. prunes during the 1957 calendar year. More than half the French imports are expected to be in 33/44 and 66/77 sizes, notably lacking in the French crop.

The French Government collects a tax from all prune importers, known as an equalization fee. This tax automatically raises the price of American prunes to the French consumer. Size 33/44 prunes quoted at \$24.50 per 50 kilo box (110 pounds) f.a.s. will accordingly be subject to a price equalization charge amounting to 4.4 cents per pound. Similarly, size 66/77 prunes will pay an equalization fee of 2.9 cents per pound.

EGYPT'S COTTON EXPORTS LOWEST SINCE 1945

Egypt's cotton exports of 259,000 bales (500 pounds gross) during August-December 1956 were the lowest since 1945, and less than half the exports of 614,000 bales in the corresponding months of 1955. Unusually low stocks at the beginning of the 1956-57 season, reduced production, relatively high prices, and trade difficulties associated with the closing of the Suez Canal, were contributing factors in the current decline.

The August-December 1956 cotton exports to Western European countries were down 50 percent from last year (216,000 to 109,000 bales), those to the Soviet Bloc countries were down 40 percent (179,000 to 106,000 bales). Quantities shipped to major destinations in August-December 1956, with comparable 1955 figures in parentheses were: Czechoslovakia 53,000 bales (68,000); Italy 31,000 (44,000); Switzerland 20,000 (38,000); France 20,000 (50,000); West Germany 17,000 (13,000); United States 17,000 (31,000); U.S.S.R. 15,000 (30,000); East Germany 14,000 (8,000); and Japan 13,000 (36,000).

Egypt's 1956-57 cotton crop is officially estimated at 1,464,000 bales (3rd estimate), down 5 percent from the 1955-56 crop of 1,535,000 bales. No serious difficulties are anticipated by the cotton trade in connection with the sale of the current crop, in spite of the delayed start. Cotton stocks on December 31, 1956, were estimated at approximately 1,350,000 bales, nearly the same as the 1,381,000 bales held a year earlier. Stocks at the beginning of the 1956-57 season were 352,000 bales, down 45 percent from stocks of 640,000 bales on August 1, 1955.

Cotton prices at the end of December 1956 were considerably higher than at the beginning of the season, with spot quotations on December 24, 1956, for Karnak, Fully Good, at 131.55 tallaris per cantar (73.83 U. S. cents a pound); and Ashmouni, Fully Good, at 92.45 tallaris (53.29 cents). Moderate declines occurred in the next 2 months. On February 20, the price for Karnak, Fully Good, was equivalent to 73.17 cents a pound, and that for Ashmouni, Fully Good, 52.97 cents. These prices do not include export taxes of 4.73 cents a pound for Karnak, and 1.27 cents for Ashmouni. Heavy purchases by the Soviet Bloc, after the reopening of the Alexandria Futures and Spot Markets, which were closed between November 5 and 26 because of hostilities, may have caused some of the price increase in December.

Cotton acreage for the 1957-58 crop (planting usually begins in February) is not expected to increase appreciably from the 1956-57 area of 1,716,000 acres. Farmers will be allowed to cultivate no more than a third of their land with cotton, as was the case in 1956.

COTTON EXPORTS FROM GREECE HIGHER THAN LAST YEAR

Cotton exports from Greece amounted to 97,000 bales (500 pounds gross) during August-December 1956, increasing 8 percent over exports of 90,000 bales in the comparable period of 1955. Exports to France in the current period were much larger than to any other country, amounting to 76,000 bales or 78 percent of the total as compared with 27,000 bales and 30 percent a year ago.

Other principal destinations of Greece's cotton exports in August-December 1956, with comparable 1955 figures in parentheses were: Italy 7,000 bales (52,000); Yugoslavia 3,000 (6,000); U.S.S.R. 3,000 (none); and Finland, Hungary and Bulgaria 2,000 bales each, but only negligible quantities last year.

Cotton production in Greece in 1956-57 is estimated at 262,000 bales, or 6 percent less than the 1955-56 crop of 279,000 bales. Earlier estimates of the 1956-57 crop were much higher, but production dropped about 20 percent as a result of continuous drought in non-irrigated cotton areas, as well as late season rains which reduced the top crop of irrigated cotton. Mid-season stocks on December 31, 1956, were estimated at 144,000 bales as compared with an estimated 178,000 bales held a year earlier.

An upward movement in cotton prices has been evident since the beginning of the 1956-57 season, partially as a result of the continuous high demand by French purchasers. Average prices, f.o.b. at Greek ports showed the following increases from August to December: SM/25-26 mm. (Macedonia-Lavadia) from 27.8 U. S. cents per pound in August to 33.1 cents in December; SM/25-26 mm. (Macedonia) from 29.2 to 34.0 cents per pound; and SM/27-28 mm. (Acala) from 30.4 to 35.2 cents per pound. The higher prices of cotton exports have had an immediate effect upon prices paid to cotton growers. Prices for seed cotton increased by 20 to 30 percent, depending on grade, between mid-September and the end of December 1956.

ISRAEL TO PRODUCE EXTRA LONG STAPLE COTTON

The Government of Israel has set aside about 2,500 acres from the 1957-58 cotton acreage for the production of extra long staple "Pima 32" cotton, with the aim of developing an export market in this variety. Experimental production in 1956-57 was reported to be very successful.

Israel is rapidly developing its cotton industry. The first commercial crop in 1954-55 amounted to 4,000 bales (500 pounds gross) and by 1956-57, cotton production had increased to 15,000 bales. Cotton acreage increased from 2,000 acres in 1954-55 to 14,000 in 1956-57. All cotton acreage is irrigated. Cotton consumption in 1955-56 amounted to 29,000 bales and imports were 20,000 bales, including 15,000 from the United States.

ECUADOR ESTABLISHES MINIMUM PRICES TO COTTON GROWERS

Ecuador has established minimum prices to be paid to cotton growers, and prices to be charged by ginnerers. Prices effective until December 31, 1957, for 3 qualities of seed cotton (native type) delivered to ginnerers are 175, 160, and 145 sucres per 100 pounds, equivalent to 11.55, 10.56, and 9.57 cents a pound, respectively. Corresponding prices for Acala type cotton are 155, 145, and 135 sucres or 10.23, 9.57, and 8.91 cents, respectively. Ginned and baled cotton is to be sold at the gin at rates of 530, 510, and 470 sucres, or 34.98, 33.66, and 31.02 cents, respectively, depending on the quality. Classifications indicated are: selected white without impurities; spotted without impurities; and cotton with impurities. The above prices were converted at a rate of 15.15 sucres per \$1.00.

Ecuador's cotton production for the 1956-57 crop year is estimated at approximately 13,000 bales (500 pounds gross) as compared with 15,000 bales in 1955-56. Acreage estimated at 40,000 acres in 1956-57 is slightly less than the 45,000 acres estimated for 1955-56. Cotton imports in recent years, principally from the United States and Peru, have averaged about 5,000 bales per year. Annual consumption of cotton has amounted to about 17,000 bales. Cotton stocks on August 1, 1956, were estimated at 8,000 bales, or considerably higher than the 5,000 bales held a year earlier. A recent agreement under terms of P. L. 480 provided for the purchase with local currency of 1,680 bales of United States cotton.

Government policy is to encourage local production of cotton with a view of becoming self sufficient in future years. A national commission is working actively to discover and encourage the adoption of improved, higher yielding varieties.

NEW MINIMUM EXPORT PRICES FOR SPANISH ALMONDS AND FILBERTS

On February 22, the Spanish Ministry of Commerce announced further reductions in minimum export prices for almonds and filberts. The new range of prices for shelled almonds is from 44 to 69 cents per pound. Previously, minimum export prices for almonds ranged from 60 to 89 cents.

Prices for shelled filberts now range from 34 to 41 cents per pound, in contrast to former prices of from 36 to 50 cents per pound. The new minimum export prices are expected to facilitate the movement of Spanish nuts in foreign trade.

FRANCE'S OILCAKE AND MEAL PRODUCTION LARGELY FROM IMPORTED OILSEEDS

France's domestic production of oilseeds provides only about 15 percent of the country's total consumption of oilmeal and cake, most of which is obtained from imported oilseeds.

The total available oilcake in France in 1955 was 552,000 short tons. (The year 1955 rather than 1956 is used because more complete data are available for 1955; moreover, 1956 was highly abnormal in crop production and foreign trade). Of this, 81,560 tons were net imports as oilcake and the balance was produced in France mostly from imported seeds. Total consumption of oilmeal and cake in 1955 was only 72 percent as large as before the war.

Oilmeal and Cake: Production, exports, imports and total availabilities in France, annual 1938, 1946, and 1955

(Short tons)

Kind	1938	1946	1955
Peanut.....	477,606	82,218	171,838
Soybean.....	13,182	342	74,218
Flaxseed <u>1/</u>	156,790	9,529	72,575
Sesame.....	325	305	552
Copra.....	58,261	11,816	30,363
Palm Kernel.....	53,372	33,332	69,975
Colza <u>1/</u>	10,049	31,138	35,345
Sunflower.....	1,587	2,328	220
Cottonseed.....	1	0	0
Kardeseed.....	<u>2/</u>	<u>2/</u>	2,425
Others <u>1/</u>	7,945	8,929	13,167
Total Production.....	779,127	180,000	470,660
Imports.....	72,462	150,760	204,640
Exports.....	85,994	0	123,081
Net trade.....	-13,568	+150,760	+81,559
Total Availabilities.....	765,559	330,760	552,219

1/ Includes oilcake produced from domestic oilseeds.

2/ Probably included in "Others".

Source: Federation Nationale de l'Industrie des Corps Gras

Most of the 923,000 tons of oilseeds imported in 1955 were peanuts, soybeans, flaxseed and palm kernels. The major domestic contribution was from flaxseed and rapeseed but these together yielded only about 84,000 tons of cake.

MALAYAN PRODUCTION OF COPRA, COCONUT OIL UP IN 1956

Malaya's copra production in 1956 was about 154,000 long tons, 10,000 tons above the 1955 production but less than the post-war record of 164,200 tons produced in 1954. Coconut oil production is estimated at 149,000 tons or 12,000 tons above 1955.

The Malayan Government is taking steps toward improving the coconut industry, the country's third largest export industry. Coconut estates, which account for about 25 percent of coconut production, are experimenting in the use of fertilizers and in growing cacao under coconuts. Smallholders' production will be more difficult to improve, especially on the East Coast where production has been declining, because of failure to replant palms as they cease bearing.

Production of coconut oil in the Federation of Malaya has been at a record level as a larger supply of copra has been available from higher production and increased net imports. Singapore mills are hampered by erratic shipments of copra from Indonesia where trade restrictions have impeded legal trading. In February the Indonesian Government modified these regulations so that prospects are good for increased imports in 1957.

Copra wholesale prices in Singapore rose slightly from M\$27 3/8 f.o.b. per picul (\$151.77 per long ton) in mid-November to M\$28 (\$155.23) in mid-February. Demand from Europe eased off in the first part of 1957 but prices were maintained by mill demand and buying from India. Prices for coconut oil in bulk rose from M\$41 3/4 f.o.b. per picul (\$231.47 per long ton) in mid-November to M\$43 (\$238.40) in mid-February.

Demand for Malayan coconut oil has fallen off in Europe because oil produced in the Netherlands and the United Kingdom and oil from the Philippines is being offered in European markets at levels considerably below those in Malaya. Malayan exporters of coconut oil have been able to dispose of their supplies in Asian markets, notably Burma and China. (For Malayan copra and coconut oil trade statistics see Foreign Crops and Markets of March 11, 1957).

INDIA'S SESAME PRODUCTION DOWN

India's sesame seed production in 1956-57 is placed at 467,000 short tons from 4,996,000 acres, according to the third official estimate. This represents decreases of 4 percent in production and 8 percent in acreage from corresponding estimates of the preceding year. In view of the fact that the third estimate represents roughly 95 percent of the final crop estimate, total output may be in the neighborhood of 490,000 tons. The final estimates for 1955-56 were 512,960 tons from 5,738,000 acres.

MALAYAN PALM OIL PRODUCTION IN 1956 EQUALS 1955 HIGH LEVEL

Production of palm oil in Malaya during 1956 is estimated at almost 63,000 short tons, about equal to the estimated 63,280 tons produced in 1955. It is too early for the annual increase in acreage of the last 3 years to be reflected in an increase in production.

A representative of the largest owner of oil palm estates in Malaya reports that severe drought and blight have reduced production in the last 2-3 months; however, this information has not been confirmed by the Federation Department of Agriculture in Kuala Lumpur.

The new processing factory of the Colonial Development Corporation (see Foreign Crops and Markets, December 31, 1956) is expected to be ready for operation by June.

Malayan sales of palm oil in 1956, 7 percent above 1955, were confined largely to the United Kingdom, India and Canada with only a very small quantity being sold to non-Commonwealth countries. Palm kernel sales, up 14 percent from 1955, were made largely to the Netherlands and Denmark.

MALAYA: Palm oil and palm kernel exports, average 1935-39,
annual 1955 and 1956

(Short tons)

Country	Palm oil			Palm kernels		
	Average	1955	1956	Average	1955	1956
	1935-39	1/	1/	1935-39	1/	1/
Canada	9,599	6,641	12,636	-	-	-
Denmark	-	-	-	226	112	3,490
Western Germany	-	-	-	1,410	2,946	772
France	-	-	-	-	2/2,044	-
India	908	5,330	18,540	-	-	28
Netherlands	-	-	-	1,304	4,820	9,743
United Kingdom	23,270	49,026	34,167	2,115	3,371	717
Other countries	13,583	271	271	3,077	3/304	728
Total	47,360	61,268	65,614	8,132	13,597	15,478

1/ Preliminary. 2/ Includes shipments to Corsica. 3/ All to Greece.

Compiled from official sources.

Palm oil prices in recent contracts completed in Singapore, were about £93 sterling per long ton (\$232.50 per short ton) c.i.f. U.K. ports or down about £6 per long ton (\$15.00 per short ton) from last November.

EXPANSION OF VANASPATI PRODUCTION AND CONSUMPTION IN INDIA EXPECTED TO CONTINUE

The manufacture of vanaspati (edible hydrogenated vegetable oil) in India has made rapid strides since its inception in the late 1920's. From only about 300 long tons in 1930, production rose to 66,000 tons in 1940, 172,000 tons in 1950, and 260,000 tons in 1955. The goal of the Second Five Year Plan is for 400,000 tons by 1961.

Vanaspati has accounted for about one-half of the increase in the estimated total consumption of edible oils in India since 1951. It has become widely accepted as an alternative fat to ghee (melted butter), which sells at a much higher price. It is believed there has been little or no increase in ghee consumption for a good many years. Vanaspati then - also popularly known as "vegetable ghee" - helps to meet the traditional demand for a semi-solid fat in Indian cooking.

The upward trend in vanaspati production and consumption is likely to continue with rising consumer incomes and increasing urbanization in India.

This trend in vanaspati production is retarded in years when the price rises but accelerated in years of price decline.

Vanaspati: Production exports and wholesale price,
Bombay annual 1950-56

Year	Vanaspati		
	Production	Exports <u>1/</u>	Price
	1,000 long tons	1,000 long tons	Cents per pound
1950.....	172	-	21.4
1951.....	172	2	23.2
1952.....	190	3	18.9
1953.....	191	1	21.5
1954.....	230	7	16.0
1955.....	260	16	14.2
1956.....	<u>3/</u> 255	<u>3/</u> 12	18.9

1/ May include some inedible hydrogenated oil. 2/ Raw, filtered, ex-mill, naked. 3/ Partly estimated.

At present the Government permits only peanut, cottonseed, and sesame oils to be used in vanaspati. The leading oil is peanut. Legislation requires vanaspati to contain at least 5 percent of sesame oil. Although use of cottonseed oil is limited by its small production in India, it is considered inferior to peanut oil for vanaspati manufacture because it has more color and takes longer to hydrogenate. Hence, it can compete with peanut oil for vanaspati only when it sells at a discount. The difference in price between vanaspati and liquid oil in early 1957 was equivalent to about 4 cents per pound, of which about one-third consisted of manufacturers' excise tax, one-third of the cost of packaging, and one-third of the processing margin.

In addition to vanaspati itself, the vanaspati industry produces from 10,000 to 20,000 tons a year of inedible hydrogenated oil as an ingredient in soap and in sizing for textiles.

The vanaspati industry has a substantial excess of capacity at present. Hence, the Government does not permit the installation of new equipment, and a factory wishing to expand must buy old, idle equipment. If at some time in the future it should become advisable to allow new facilities to be erected, no drain on foreign exchange would be involved because the necessary equipment is manufactured in India.

INDIA'S FLAXSEED ACREAGE INCREASES

India's first official estimate of the flaxseed area for 1956-57 is placed at 2,728,000 acres or 10.8 percent above the adjusted corresponding estimate of 2,461,000 acres for 1955-56. This estimate relates generally to the period up to mid-December 1956 in the major producing states and does not include the entire area sown to flaxseed.

Applying a 10 percent increase to the 1955-56 final estimate of 3,424,000 acres results in an area of roughly 3.7 to 3.8 million acres. At an average yield of 4.5 bushels per acre, production would be around 17 million bushels. The trade is predicting a crop of 15 to 16 million bushels. The 1955-56 harvest was 15 million bushels.

ARGENTINA EXPORTS RECORD VOLUME OF TUNG OIL IN 1956

Argentine exports of tung oil reached a record high of 15,214 short tons in calendar 1956, an increase of 12 percent from the previous record export volume established in 1955.

The United States continued to be the major market for Argentine tung oil although the proportion exported to this country--as was true in 1955--reflected a sharp decline from earlier years. In both 1955 and 1956 about two-thirds of the total quantities exported went to the United States, the remainder going chiefly to the United Kingdom, the Netherlands, and Germany. In the years 1952 through 1954, virtually all the oil exported had gone to the United States.

ARGENTINA: Tung oil exports by country of destination, annual 1950-1956
(short tons)

Country of destination	1950	1951	1952	1953	1954	1955	1956 <u>1/</u>
United States	10,142	8,456	10,872	12,171	13,388	8,839	10,270
United Kingdom	724	655	-	-	-	2,858	1,862
Finland.....	394	56	-	-	-	-	-
Belgium.....	197	-	-	-	-	12	24
Rumania.....	124	-	-	-	-	-	-
Netherlands...	75	158	-	-	-	846	1,256
Germany.....	43	144	-	-	-	205	922
Japan.....	-	234	-	-	-	-	-
Chile.....	-	59	2	24	-	-	-
France.....	-	33	-	-	-	195	-
Others.....	-	-	46	324	14	679	880
Total.....	11,699	9,795	10,920	12,519	13,402	13,634	15,214

1/ Preliminary.

Compiled from Resumen Mensual de Exportacion de Frutos del Pais (unofficial).

The market for Argentine tung oil in 1956 was strengthened materially by the fact that a severe freeze in the United States in 1955 resulted in the smallest tung crop in several years. The small outturn of oil not only enabled the U. S. Commodity Credit Corporation in 1956 to sell domestically the remainder of its tung oil accumulated in recent years under its price-support programs, but also gave rise to a need for sizable U. S. imports.

The facts that in 1955 Argentina exported to the United States only 8,839 tons of oil--the second smallest volume in the last 7 years--reflects, in part, the voluntary agreement of Argentina (jointly with Paraguay) to severely limit its exports entering the United States in the 12-month period beginning November 1, 1954.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

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